

EXHIBIT 2

The New York Times

Bits

Business ■ Innovation ■ Technology ■ Society

DECEMBER 1, 2008, 12:00 AM

Power.com: A One-Stop Shop for Social Networkers

By CLAIRE CAIN MILLER

Power.com, a Web start-up from Brazil with some prominent backers, aims to become the portal through which people access their online social lives. It's up against no less than the world's biggest Internet companies.

Power.com's investors include the venture capital firm Draper Fisher Jurvetson and Esther Dyson, the technology investor and analyst. It pulls users' social network updates, e-mail, instant messages and contact lists together in one place. After logging in, users see a dashboard that includes information from several sites so they can avoid visiting each site separately. Power.com now accesses Facebook, MySpace, Hi5, Orkut and MSN and plans to add other services.

Many other sites are trying to do similar things. Meebo offers access to multiple instant messaging services, and other start-ups are trying to aggregate social networks. Google, Microsoft and Yahoo also want to make themselves central to people's online social activities.

Power.com is undaunted. "We want to be the center of the world, but we also want to open everything up," said Steve Vachani, the company's chief executive. "We're creating an operating system for all applications for all places."

Mr. Vachani started a virtual currency site, Qool.com, in the late 1990s. He took off to Rio de Janeiro after Qool.com failed during the dot-com bust. A year ago he started Power.com in Brazil; it now has 70 employees.

The site already has 5 million registered users, 3 million of whom visit each month, Mr. Vachani said. Most are in Brazil and India. Until a few weeks ago, Power.com only worked with Orkut, the social network run by Google that has really only caught on outside the United States. But unlike Orkut itself, Power.com lets users send messages to many of their Orkut friends at once, so it quickly became popular on the network.

Mr. Vachani said the focus on Orkut was one reason Power.com had received little media attention so far other than a few mentions in Portuguese-language blogs. He said he had tried to keep the service under the radar to perfect it before subjecting it to press scrutiny. Starting Monday, Power.com will try to recruit users in the United States.



Ms. Dyson, the founder of EDventure Holdings, said of Power.com: "For a while it was portals and now it's social networks, but in the end, people want the Web to revolve around them, and this helps people aggregate everything around themselves."

Power.com is spreading the word about itself by adding widgets or links on members' social network profile pages, pasting ads on the bottom of messages sent through the service and encouraging users to send invitations to their friends.

The start-up raised \$2 million from angel investors last year and \$6 million from Draper Fisher Jurvetson, the venture capital firm that backed Hotmail and Skype.

Venture capitalists have turned a cold shoulder to new social networks. Many of those still interested in Web 2.0 investments are seeking ways to streamline the social Web.

"We've been looking at this overarching question of where does social networking go in the longer term," said Andreas Stavropoulos, the Draper managing director who led the investment in Power.com. "A lot of properties, like Facebook, MySpace and others, become these islands unto themselves. What we saw in Power was a way of opening up these islands and connecting them."

Once a user enters his or her log-in information for a social network, Power.com accesses the site as if it was the user. Power.com does not have permission from the social networks to use their sites in this way. Mr. Vachani compared it with the way social networks import users' e-mail address books to connect them with their friends, or the way Meebo, also backed by Draper Fisher Jurvetson, accesses users' instant message accounts.

Most of the time Power.com displays the user's social networking pages without changing them, keeping the original advertisements. But in some instances users can read and respond to a message received at one of those sites without actually visiting the site. That could potentially irritate sites that do not want to sacrifice page views.

Mr. Vachani said Power.com would not run afoul of the social networks because it does not lift content from their sites, but instead accesses them after a user voluntarily enters his or her log-in information.

"We're not trying to somehow usurp or suck out users into a competing property," said Mr. Stavropoulos. Instead, Power.com wants to be a dashboard that makes it easier for users to see all their social networks and communications applications, he said.

Power.com plans to sell ads on its home page and on users' dashboards. It will sell certain components — like the instant messaging aggregation and the universal log-in — to Web developers who want to use them on their own sites. Mr. Vachani also hopes to sell systems to big sites that they can operate under their own brand names.

“It’s a great idea, and someone needs to do it,” said Mr. Stavropoulos. “Whether it will be Power who does it or someone else really depends on who can survive in this market and get financing.”

What do you think? Do you need a service that aggregates your social networks, e-mail and instant messaging accounts? Do you already use something like this?

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